MARKET REPORT

HVS Monday Musings: Can Gig Workers Help the Indian Hotel Industry Fill its Talent Gap?

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Is it finally time for the Indian hotel industry, which has long struggled with a manpower shortage, to test the viability of the gig economy beyond food delivery?

The “gig economy” is becoming increasingly popular in India, with industries ranging from retail, transportation, and healthcare to knowledge-intensive and creative services such as consulting, advertising and marketing, and now even IT, turning to gig workers to meet their staffing needs. According to a recent NITI Aayog report, India's gig economy is predicted to grow from 7.7 million workers in 2020-21 to 23.5 million workers by 2029-30, making up 6.7% of the non-agricultural workforce or 4.1% of all employment in the country by that time. So, is it finally time for the Indian hotel industry, which has long struggled with a manpower shortage, to test the gig economy’s viability beyond just food delivery?

Contract and part-time employees have always been a part of the hotel industry, but the gig economy gives the industry access to a pool of on-demand workforce. Gig workers are self-employed contractors or freelancers who, as opposed to traditional full-time employees, typically perform projects-based, hourly, or part-time work for numerous clients on a short-term basis.

Employing gig workers in the hotel industry has a number of advantages. This model can help hotel companies to manage staffing needs during busy and slow periods, optimize and lower their staff-to-room ratio, and lower manpower costs. In a sector with a reputation for high attrition rates, having access to an on-demand workforce will also help reduce hiring and training costs. In addition to the financial aspect, the flexibility of gig work can change the long-held perception that a career in the hospitality industry entails working long hours for low pay. This model will help the industry attract a wider range of human resources, including unemployed or retired professionals, stay-at-home parents, and even students who want to work in the sector for a few hours a week without sacrificing their work-life balance.





Source: Freepik

Despite all these benefits, the hotel industry has been slow to adopt this trend, with the exception of some hotels globally that have started using gig workers, primarily to fill positions in restaurants. The main reason for the slower adoption is the industry's concern that service levels will be affected and that day-to-day management will become more challenging due to the need to continuously train and retrain the staff on their strict and complex procedures. While change can be uncomfortable, it is necessary for growth.

The hotel sector should first assess and identify a few jobs and roles that can be easily filled by gig workers as needed. Housekeeping, F&B service, kitchen stewarding, cleaning, customer services, marketing, data analytics, human resources, and training are just a few of the roles and positions in a hotel that can perfectly fit in this model and help alleviate the industry's manpower shortage. Moreover, hiring apps and scheduling platforms like Qwick, Stint, Instawork, and Gigpro, which connect hotels and other hospitality establishments with gig workers with the necessary skills and qualifications and also help in scheduling shifts, are now assisting in overcoming these challenges on a global scale. Similar services are offered in India by the recently launched app CoLaborate, and it won't be long before more of these platforms are available to the hospitality sector, enabling them to use gig workers to address staffing issues and maintain competitiveness in the rapidly growing hospitality sector.